



**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS  
AUDIT EXAMINATION OF THE  
BELL COUNTY FISCAL COURT**

**Fiscal Year Ended June 30, 1998**

**EDWARD B. HATCHETT, JR.  
AUDITOR OF PUBLIC ACCOUNTS  
[WWW.STATE.KY.US/AGENCIES/APA](http://WWW.STATE.KY.US/AGENCIES/APA)**

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Edward B. Hatchett, Jr.  
Auditor of Public Accounts

To the People of Kentucky

Honorable Paul E. Patton, Governor

John P. McCarty, Secretary

Finance and Administration Cabinet

Sarah Jane Schaaf, Secretary, Revenue Cabinet

Honorable Jennifer Jones, County Judge/Executive

Honorable Curtis Hoskins, Sr., Former County Judge/Executive

Members of the Bell County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of assets, liabilities, and fund balances arising from cash transactions of Bell County, Kentucky, as of June 30, 1998, and the related statement of cash receipts, cash disbursements, and changes in cash balances for the year then ended. These financial statements are the responsibility of the Bell County Fiscal Court. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for Fiscal Court Audits issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Bell County, Kentucky, prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and laws of Kentucky. Consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balances arising from cash transactions of Bell County, Kentucky, and the related statement of cash receipts, cash disbursements, and changes in cash balances as of and for the year ended June 30, 1998, in conformity with the cash basis of accounting described above.

To the People of Kentucky

Honorable Paul E. Patton, Governor

John P. McCarty, Secretary

Finance and Administration Cabinet

Sarah Jane Schaaf, Secretary, Revenue Cabinet

Honorable Jennifer Jones, County Judge/Executive

Honorable Curtis Hoskins, Sr., Former County Judge/Executive

Members of the Bell County Fiscal Court

Our audit was performed for the purpose of forming an opinion on the financial statements of Bell County, Kentucky, taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements. The other information provided on the accompanying schedules is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole.

Based on the results of our audit, we present a Schedule of Findings and Questioned Costs, included herein, which discusses the following areas of noncompliance:

- The Fiscal Court Should Adopt An Administrative Code
- The County Should Have A Written Agreement To Protect Deposits

In accordance with Government Auditing Standards, we have also issued our report dated March 17, 1999 on our consideration of Bell County, Kentucky's compliance with certain provisions of laws, regulations, contracts, and grants, and internal control over financial reporting.

Respectfully submitted,



Edward B. Hatchett, Jr.  
Auditor of Public Accounts

Audit fieldwork completed -  
March 17, 1999

BELL COUNTY OFFICIALS

Fiscal Year Ended June 30, 1998

Curtis Hoskins, Sr.	County Judge/Executive
John Golden	County Attorney
Joan Asher Cawood	County Clerk
Charles Green	Circuit Court Clerk
Harold Harbin	Sheriff
Donnie Slusher	Jailer
Hickory E. Grace, Jr.	Property Valuation Administrator
Brenda Walters	County Treasurer
Clyde Creech	Coroner
Harold Gibbons	Magistrate
Herbert Garnett	Magistrate
Earl Gilbert	Magistrate
Thomas H. Massengill	Magistrate
Andy Williams	Magistrate

STATEMENT OF ASSETS, LIABILITIES,  
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

BELL COUNTY  
STATEMENT OF ASSETS, LIABILITIES,  
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

June 30, 1998

Assets and Other Resources

Assets

General Fund:	
Cash	\$ 730,014
Investments	457,794
Road and Bridge Fund:	
Cash	192,826
Jail Fund:	
Cash	79,300
Jail Commissary Fund:	
Cash	3,537
Local Government Economic Assistance Fund:	
Cash	108,292
Ambulance Service Fund:	
Cash	168,929
Local Law Enforcement Grant Fund:	
Cash	20
Hutch/Brownies Creek Waterline Fund:	
Investment	380,731
Health Insurance Revolving Account:	
Cash	9
Payroll Revolving Account:	
Cash	452

Other Resources

General Fund:	
Amounts to be Provided in Future Years for Waterline Capital Lease Principal Obligations (Note 5a)	135,000
Amounts to be Provided in Future Years for Waterline Capital Lease Principal Obligations (Note 5b)	86,000
Amounts to be Provided in Future Years for Waterline Capital Lease Principal Obligations (Note 5c)	71,000
Amounts to be Provided in Future Years for Waterline Capital Lease Principal Obligations (Note 5d)	400,000
	<hr/>
Total Assets and Other Resources	<u>\$ 2,813,904</u>

The accompanying notes are an integral part of the financial statements.

BELL COUNTY  
 STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES  
 ARISING FROM CASH TRANSACTIONS  
 June 30, 1998  
 (Continued)

Liabilities and Fund Balances

Liabilities

General Fund:

Capital Lease Obligation (Note 5a)	\$ 135,000
Capital Lease Obligation (Note 5b)	86,000
Capital Lease Obligation (Note 5c)	71,000
Capital Lease Obligation (Note 5d)	400,000
Health Insurance Revolving Account	9
Payroll Revolving Account	452

Fund Balances

Reserved:

Jail Commissary Fund	3,537
Local Law Enforcement Grant Fund	20
Hutch/Brownies Creek Waterline Fund	380,731

Unreserved:

General Fund	1,187,808
Road and Bridge Fund	192,826
Jail Fund	79,300
Local Government Economic Assistance Fund	108,292
Ambulance Service Fund	168,929

Total Liabilities and Fund Balances	<u>\$ 2,813,904</u>
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The accompanying notes are an integral part of the financial statements.



STATEMENT OF CASH RECEIPTS,  
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

BELL COUNTY  
STATEMENT OF CASH RECEIPTS,  
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

Fiscal Year Ended June 30, 1998

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Cash Receipts</u>				
Operating Revenue - Schedule B	\$ 5,072,979	\$ 1,671,237	\$ 932,005	\$ 256,419
Lease Proceeds	400,000			
Transfers In	432,824	68,450		276,180
Jail Commissary Fund Receipts	3,697			
Total Cash Receipts	<u>\$ 5,909,500</u>	<u>\$ 1,739,687</u>	<u>\$ 932,005</u>	<u>\$ 532,599</u>
<u>Cash Disbursements</u>				
Budgeted Operating Expenditures - Schedule C	\$ 5,078,344	\$ 1,702,985	\$ 985,537	\$ 513,743
Unbudgeted Expenditures	19,545			
Transfers Out	432,824			
Jail Commissary Fund Expenditures	2,660			
Lease Principal Payments	17,000	17,000		
Total Cash Disbursements	<u>\$ 5,550,373</u>	<u>\$ 1,719,985</u>	<u>\$ 985,537</u>	<u>\$ 513,743</u>
Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements	\$ 359,127	\$ 19,702	\$ (53,532)	\$ 18,856
Cash Balance - July 1, 1997*	<u>1,762,316</u>	<u>1,168,106</u>	<u>246,358</u>	<u>60,444</u>
Cash Balance - June 30, 1998*	<u>\$ 2,121,443</u>	<u>\$ 1,187,808</u>	<u>\$ 192,826</u>	<u>\$ 79,300</u>

\* Cash Balance Includes Investments

The accompanying notes are an integral part of the financial statements.

BELL COUNTY  
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH BALANCES  
Fiscal Year Ended June 30, 1998  
(Continued)

Jail Commissary Fund	Local Government Economic Assistance Fund	Federal Grant Fund	Ambulance Service Fund	Insurance Premium Tax Fund	Abandoned Mine Land Left Fork Water Project Fund
\$	\$ 593,753	\$ 24,000	\$ 312,703	\$ 352,773	\$ 821,951
			88,194		
3,697					
\$ 3,697	\$ 593,753	\$ 24,000	\$ 400,897	\$ 352,773	\$ 821,951
\$	\$ 254,206	\$	\$ 455,945	\$ 264,581	\$ 793,501
	276,180	24,000	16,000	88,194	28,450
2,660					
\$ 2,660	\$ 530,386	\$ 24,000	\$ 471,945	\$ 352,775	\$ 821,951
\$ 1,037	\$ 63,367	\$ 0	\$ (71,048)	\$ (2)	\$ 0
2,500	44,925	0	239,977	2	0
\$ 3,537	\$ 108,292	\$ 0	\$ 168,929	\$ 0	\$ 0

The accompanying notes are an integral part of the financial statements.

## BELL COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH BALANCES

Fiscal Year Ended June 30, 1998

(Continued)

	Abandoned Mine Land Laurel Fork Water Project Fund	Local Law Enforcement Grant Fund	Local Economic Development Fund	Hutch/ Brownies Creek Waterline Fund
<u>Cash Receipts</u>				
Operating Revenue - Schedule B	\$ 38,800	\$ 2,516	\$ 66,546	\$ 276
Lease Proceeds				400,000
Transfers In				
Jail Commissary Fund Receipts				
Total Cash Receipts	<u>\$ 38,800</u>	<u>\$ 2,516</u>	<u>\$ 66,546</u>	<u>\$ 400,276</u>
<u>Cash Disbursements</u>				
Budgeted Operating Expenditures - Schedule C	\$ 38,800	\$ 2,500	\$ 66,546	\$
Unbudgeted Expenditures				19,545
Transfers Out				
Jail Commissary Fund Expenditures				
Lease Principal Payments				
Total Cash Disbursements	<u>\$ 38,800</u>	<u>\$ 2,500</u>	<u>\$ 66,546</u>	<u>\$ 19,545</u>
Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements	\$ 0	\$ 16	\$ 0	\$ 380,731
Cash Balance - July 1, 1997*	<u>0</u>	<u>4</u>	<u>0</u>	<u>0</u>
Cash Balance - June 30, 1998*	<u><u>\$ 0</u></u>	<u><u>\$ 20</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 380,731</u></u>

\* Cash Balance Includes Investments

The accompanying notes are an integral part of the financial statements.

BELL COUNTY  
NOTES TO FINANCIAL STATEMENTS

June 30, 1998

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements of Bell County include the funds, agencies, boards, and entities for which the fiscal court is financially accountable. Financial accountability, as defined by Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, as amended by GASB 14, was determined on the basis of the government's ability to significantly influence operations, select the governing authority, participate in fiscal management and the scope of public service. Based upon the criteria stated in GASB 14, management has included the Jail Commissary Fund as part of the reporting entity.

B. Fund Accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The government uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts.

C. Basis of Accounting

The financial statements were prepared on a cash basis of accounting pursuant to Kentucky Revised Statute (KRS) 68.210 as recommended by the State Local Finance Officer. Consequently, certain revenues and related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts.

D. Legal Compliance - Budget

The Bell County budget is adopted on a cash basis of accounting and laws of Kentucky as required by the State Local Finance Officer. The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

E. Cash and Investments

Cash includes amounts in bank accounts, and investments are stated at cost. Investments may include certificates of deposit on the financial statements; however, for the purpose of disclosing credit risk (Note 3), investments exclude certificates of deposit.

BELL COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 1998  
(Continued)

Note 1. (Continued)

E. Cash and Investments (Continued)

KRS 66.480 authorizes the county to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

Note 2. Employee Retirement System

The county has elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a multiple-employer public retirement system which covers all eligible full-time employees. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 8.65 percent.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65.

Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is present in the Kentucky Retirement System's annual financial report.

Note 3. Deposits

The county maintains deposits with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to law, the depository institution should pledge sufficient securities as collateral which, together with FDIC insurance, equals or exceeds the amount on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge of securities should be evidenced by an agreement that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. This agreement, signed by both parties, must be sufficient to create an enforceable and perfected security interest in the collateral under Kentucky law. The depository institution has made such a pledge, and the depository institution's board of directors or loan committee approved the pledge. However, the depository institution did not have a written agreement with the county.

BELL COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 1998  
(Continued)

Note 3. Deposits (Continued)

The county's deposits are categorized below to give an indication of the level of risk assumed by the county as of June 30, 1998.

	<u>Amount</u>
Collateralized with securities held by pledging depository institution in the county's name	\$ 1,502,594
Uncollateralized and uninsured	<u>0</u>
Total	<u>\$ 1,502,594</u>

Note 4. Lease-Purchase

The county entered into a lease agreement with Brooks Tire Service, Inc. for the purchase of radio equipment during July 1996. Terms of the agreement stipulate a three-year payment schedule, with one interest payment of \$1,000. As of June 30, 1998, the principal balance remaining was \$1,800.

Note 5. Capital Lease Agreements

- a) The county entered into a capital lease agreement with the Kentucky Association of Counties Leasing Trust Program for the construction of waterlines in October 1993. The county has subleased the waterlines to the Pineville Utility Commission. Terms of the agreement stipulate a twenty-year repayment schedule, with variable monthly interest payments and variable annual principal payments. As of June 30, 1998, the principal balance remaining was \$135,000. Lease payments for the next five years are:

	<u>Principal Maturity Dates</u>	
<u>Date Due</u>	<u>Fees and Interest</u>	<u>Amount</u>
06/30/99	\$ 7,629	\$ 6,000
06/30/00	6,884	7,000
06/30/01	6,498	7,000
06/30/02	6,113	7,000
06/30/03	5,705	8,000

BELL COUNTY  
NOTES TO FINANCIAL STATEMENTS  
June 30, 1998  
(Continued)

Note 5. Capital Lease Agreements (Continued)

- b) The county entered into a capital lease agreement with the Kentucky Association of Counties Leasing Trust Program for the construction of waterlines in May 1995. The county has subleased the waterlines to the Pineville Utility Commission. Terms of the agreement stipulate a twenty-year repayment schedule, with variable monthly interest payments and variable annual principal payments. As of June 30, 1998, the principal balance remaining was \$86,000. Lease payments for the next five years are:

<u>Principal Maturity Dates</u>		
<u>Date Due</u>	<u>Fees and Interest</u>	<u>Amount</u>
06/30/99	\$ 5,324	\$ 9,000
06/30/00	4,742	9,000
06/30/01	4,133	10,000
06/30/02	3,485	10,000
06/30/03	2,811	11,000

- c) The county entered into a capital lease agreement with the Kentucky Association of Counties Leasing Trust Programs for the construction of waterlines in September 1995. The county has subleased the waterlines to the Pineville Utility Commission. Terms of the agreement stipulate a twenty-year repayment schedule, with variable monthly interest payments and variable annual principal payments. Financial transactions relating to waterline construction were processed through a bank trust department rather than the county's accounting system. The county was in substantial compliance with the terms of the lease agreement as of June 30, 1998. As of June 30, 1998, the principal balance remaining was \$71,000. Lease payments for the next five years are:

<u>Principal Maturity Dates</u>		
<u>Date Due</u>	<u>Fees and Interest</u>	<u>Amount</u>
06/30/99	\$ 4,341	\$ 3,000
06/30/00	4,155	3,000
06/30/01	3,967	3,000
06/30/02	3,798	3,000
06/30/03	3,594	3,000



BELL COUNTY  
 NOTES TO FINANCIAL STATEMENTS  
 June 30, 1998  
 (Continued)

Note 5. Capital Lease Agreements (Continued)

- d) The county entered into a capital lease agreement with the Kentucky Association of Counties Leasing Trust Programs for the construction of waterlines in March 1998. The county has subleased the waterlines to the Pineville Utility Commission. Terms of the agreement stipulate a twenty-year repayment schedule, with variable monthly interest payments and variable annual principal payments. Financial transactions relating to waterline construction were processed through a bank trust department rather than the county's accounting system. The county was in substantial compliance with the terms of the lease agreement as of June 30, 1998. As of June 30, 1998, the principal balance remaining was \$400,000. Lease payments for the next five years are:

<u>Principal Maturity Dates</u>		
<u>Date Due</u>	<u>Fees and Interest</u>	<u>Amount</u>
06/30/99	\$ 21,228	\$ 23,000
06/30/00	19,955	24,000
06/30/01	18,627	25,000
06/30/02	17,222	27,000
06/30/03	16,661	29,000

Note 6. Insurance

For the fiscal year ended June 30, 1998, Bell County was a member of the Kentucky Association of Counties' All Lines Insurance Fund (KALF). KALF is a self-insurance fund and was organized to obtain lower cost coverage for general liability, property damage, public officials' errors and omissions, public liability, and other damages. The basic nature of a self-insurance program is that of a collectively shared risk by its members. If losses incurred for covered claims exceed the resources contributed by the members, the members are responsible for payment of the excess losses.

COMPARATIVE SCHEDULE OF  
BUDGETED TO ACTUAL OPERATING REVENUE

BELL COUNTY  
COMPARATIVE SCHEDULE OF  
BUDGETED TO ACTUAL OPERATING REVENUE

Fiscal Year Ended June 30, 1998

<u>Budgeted Funds</u>	<u>Budgeted Operating Revenue</u>	<u>Actual Operating Revenue</u>	<u>Over (Under) Budget</u>
General Fund	\$ 1,493,073	\$ 1,671,237	\$ 178,164
Road and Bridge Fund	929,617	932,005	2,388
Jail Fund	499,438	256,419	(243,019)
Local Government Economic Assistance Fund	281,176	593,753	312,577
Ambulance Service Fund	354,587	312,703	(41,884)
Insurance Premium Tax Fund	300,000	352,773	52,773
Abandoned Mine Land			
Left Fork Water Project Fund	2,695,517	821,951	(1,873,566)
Abandoned Mine Land			
Laurel Fork Water Project Fund	204,000	38,800	(165,200)
Local Law Enforcement Grant Fund	2,500	2,516	16
Local Government Economic Development Fund	1,381,219	66,546	(1,314,673)
Total	<u>\$ 8,141,127</u>	<u>\$ 5,048,703</u>	<u>\$ (3,092,424)</u>

Reconciliation

Total Budgeted Operating Revenue Above	\$ 8,141,127
Add: Budgeted Prior Year Surplus	828,685
Less: Other Financing Uses	<u>(17,000)</u>
Total Operating Budget Per Comparative Schedule Of Final Budget and Budgeted Expenditures	<u>\$ 8,952,812</u>

SCHEDULE OF OPERATING REVENUE

BELL COUNTY  
SCHEDULE OF OPERATING REVENUE

Fiscal Year Ended June 30, 1998

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Revenue From Local Taxes and Excess Fees</u>				
Sheriff:				
Taxes	\$ 769,318	\$ 769,318	\$	\$
Excess Fees - Monthly	225,171	225,171		
Bank Share Taxes	46,778	46,778		
County Clerk:				
Deed Transfer Tax	19,470	19,470		
Occupational Licenses	533	533		
Delinquent Taxes	13,550	13,550		
Excess Fees - 1996	14,402	14,402		
Excess Fees - 1997	91,027	91,027		
Tangible Personal Property Taxes:				
Other Counties	22,218	22,218		
County Clerk	120,081	120,081		
Delinquent Taxes - State	154	154		
In Lieu of Taxes:				
T.V.A.	7,374	7,374		
Insurance Premium Tax	352,433			
Other in Lieu Payments	3,300	3,300		
Totals	<u>\$ 1,685,809</u>	<u>\$ 1,333,376</u>	<u>\$ 0</u>	<u>\$ 0</u>

U.S. Treasurer

Bankhead-Jones Farm Tenant Act	<u>\$ 18,617</u>	<u>\$ 0</u>	<u>\$ 18,617</u>	<u>\$ 0</u>
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Federal Receipts - State Treasurer

Disaster and Emergency Assistance				
Grant - Coordinator Salary	\$ 4,621	\$ 4,621	\$	\$
Kentucky Housing Corporation				
Grant - Roth Camp				
Mitigation Project	24,000			
Abandoned Mine Land -				
Water Projects	860,751			

The accompanying notes are an integral part of the financial statements.

BELL COUNTY  
SCHEDULE OF OPERATING REVENUE  
Fiscal Year Ended June 30, 1998  
(Continued)

Local Government Economic Assistance Fund	Federal Grant Fund	Ambulance Service Fund	Insurance Premium Tax Fund	Abandoned Mine Land - Left Fork Water Project Fund	Abandoned Mine Land - Laurel Fork Water Project Fund
\$	\$	\$	\$	\$	\$
			352,433		
\$ 0	\$ 0	\$ 0	\$ 352,433	\$ 0	\$ 0
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
\$	\$	\$	\$	\$	\$
	24,000			821,951	38,800

BELL COUNTY  
 SCHEDULE OF OPERATING REVENUE  
 Fiscal Year Ended June 30, 1998  
 (Continued)

	Local Law Enforcement Grant Fund	Local Government Economic Development Fund	Hutch/ Brownies Creek Waterline Fund
<u>Revenue From Local Taxes</u> <u>and Excess Fees</u>			
Sheriff:			
Taxes	\$	\$	\$
Excess Fees - Monthly			
Bank Share Taxes			
County Clerk:			
Deed Transfer Tax			
Occupational Licenses			
Delinquent Taxes			
Excess Fees - 1996			
Excess Fees - 1997			
Tangible Personal Property Taxes:			
Other Counties			
County Clerk			
Delinquent Taxes - State			
In Lieu of Taxes:			
T.V.A.			
Insurance Premium Tax			
Other in Lieu Payments			
Totals	\$ 0	\$ 0	\$ 0

U.S. Treasurer

Bankhead-Jones Farm Tenant Act	\$ 0	\$ 0	\$ 0
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Federal Receipts - State Treasurer

Disaster and Emergency Assistance			
Grant - Coordinator Salary	\$	\$	\$
Kentucky Housing Corporation			
Grant - Roth Camp			
Mitigation Project			
Abandoned Mine Land -			
Water Projects			

BELL COUNTY  
 SCHEDULE OF OPERATING REVENUE  
 Fiscal Year Ended June 30, 1998  
 (Continued)

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Federal Receipts - State Treasurer</u> (Continued)				
Local Law Enforcement Block				
Grant - Equipment	\$ 2,500	\$	\$	\$
Flood Control Receipts	371	371		
Totals	<u>\$ 892,243</u>	<u>\$ 4,992</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Kentucky State Treasurer</u>				
Jail:				
Allotments	\$ 169,640	\$	\$	\$ 169,640
Medical Allotments	10,404			10,404
DUI Service Fees	11,584			11,584
Housing State Prisoners	21,776			21,776
County Road Aid	748,998		748,998	
Road Energy Recovery Money	4,075		4,075	
Truck License Distribution	151,651		151,651	
Strip Mine Permits	36,891	36,891		
Courthouse Rental - AOC	81,663	81,663		
Refunds:				
Legal Process Tax	173	173		
Drivers Licenses	2,457		2,457	
Dog Licenses	195	195		
Severance Taxes:				
Coal	565,707			
Mineral	28,046			
Board of Assessments	300	300		
Grants:				
DES Reimbursement	500	500		
Economic Development	66,546			
Emergency Medical Service	3,627			
Totals	<u>\$ 1,904,233</u>	<u>\$ 119,722</u>	<u>\$ 907,181</u>	<u>\$ 213,404</u>



Local Government Economic Assistance Fund	Federal Grant Fund	Ambulance Service Fund	Insurance Premium Tax Fund	Abandoned Mine Land - Left Fork Water Project Fund	Abandoned Mine Land - Laurel Fork Water Project Fund
\$	\$	\$	\$	\$	\$
\$ 0	\$ 24,000	\$ 0	\$ 0	\$ 821,951	\$ 38,800
\$	\$	\$	\$	\$	\$
565,707					
28,046					
		3,627			
\$ 593,753	\$ 0	\$ 3,627	\$ 0	\$ 0	\$ 0

BELL COUNTY  
 SCHEDULE OF OPERATING REVENUE  
 Fiscal Year Ended June 30, 1998  
 (Continued)

	Local Law Enforcement Grant Fund	Local Government Economic Development Fund	Hutch/ Brownies Creek Waterline Fund
<u>Federal Receipts - State Treasurer</u> (Continued)			
Local Law Enforcement Block			
Grant - Equipment	\$ 2,500	\$	\$
Flood Control Receipts			
Totals	\$ 2,500	\$ 0	\$ 0
<u>Kentucky State Treasurer</u>			
Jail:			
Allotments	\$	\$	\$
Medical Allotments			
DUI Service Fees			
Housing State Prisoners			
County Road Aid			
Road Energy Recovery Money			
Truck License Distribution			
Strip Mine Permits			
Courthouse Rental - AOC			
Refunds:			
Legal Process Tax			
Drivers Licenses			
Dog Licenses			
Severance Taxes:			
Coal			
Mineral			
Board of Assessments			
Grants:			
DES Reimbursement			
Economic Development		66,546	
Emergency Medical Service			
Totals	\$ 0	\$ 66,546	\$ 0

BELL COUNTY  
 SCHEDULE OF OPERATING REVENUE  
 Fiscal Year Ended June 30, 1998  
 (Continued)

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Miscellaneous Revenue</u>				
Interest	\$ 75,585	\$ 74,953	\$	\$
Circuit Court Clerk:				
Jail Cost	16,970			16,970
Jail:				
Telephone Commission Refunds	9,386			9,386
Licenses and Permits:				
Building Permits	4,355	4,355		
Dog Licenses	3,315	3,315		
Cable T.V. Franchise	25,771	25,771		
Charges for Services:				
Ambulance Service	265,710			
Work Release Fees	8,700			8,700
Jail Bond Fees	4,900			4,900
Off-Track Betting Proceeds	14,668	14,668		
Leases:				
Hances Creek Water Project	11,730	11,730		
Highway 92 Water Project	12,571	12,571		
Little Clear Creek Water Project	6,491	6,491		
Solid Waste Disposal District				
Salary Reimbursement	31,394	31,394		
Telephone Fees	8,586	8,586		
Vending Machine Commissions	578	481	44	
Gas Sales	5,651		5,651	
Insurance Reimbursements	53,348	10,404	512	
Miscellaneous Items	12,368	8,428		3,059
Totals	\$ 572,077	\$ 213,147	\$ 6,207	\$ 43,015
Total Operating Revenue	\$ 5,072,979	\$ 1,671,237	\$ 932,005	\$ 256,419

BELL COUNTY  
 SCHEDULE OF OPERATING REVENUE  
 Fiscal Year Ended June 30, 1998  
 (Continued)

Local Government Economic Assistance Fund	Federal Grant Fund	Ambulance Service Fund	Insurance Premium Tax Fund	Abandoned Mine Land - Left Fork Water Project Fund	Abandoned Mine Land - Laurel Fork Water Project Fund
\$	\$	\$	\$ 340	\$	\$
		265,710			
		53			
		42,432			
		881			
\$ 0	\$ 0	\$ 309,076	\$ 340	\$ 0	\$ 0
\$ 593,753	\$ 24,000	\$ 312,703	\$ 352,773	\$ 821,951	\$ 38,800

BELL COUNTY  
 SCHEDULE OF OPERATING REVENUE  
 Fiscal Year Ended June 30, 1998  
 (Continued)

	Local Law Enforcement Grant Fund	Local Government Economic Development Fund	Hutch/ Brownies Creek Waterline Fund
<u>Miscellaneous Revenue</u>			
Interest	\$ 16	\$	\$ 276
Circuit Court Clerk:			
Jail Cost			
Jail:			
Telephone Commission Refunds			
Licenses and Permits:			
Building Permits			
Dog Licenses			
Cable T.V. Franchise			
Charges for Services:			
Ambulance Service			
Work Release Fees			
Jail Bond Fees			
Off-Track Betting Proceeds			
Leases:			
Hances Creek Water Project			
Highway 92 Water Project			
Little Clear Creek Water Project			
Solid Waste Disposal District			
Salary Reimbursement			
Telephone Fees			
Vending Machine Commissions			
Gas Sales			
Insurance Reimbursements			
Miscellaneous Items			
Totals	\$ 16	\$ 0	\$ 276
Total Operating Revenue	\$ 2,516	\$ 66,546	\$ 276

COMPARATIVE SCHEDULE OF  
FINAL BUDGET AND BUDGETED EXPENDITURES

BELL COUNTY  
COMPARATIVE SCHEDULE OF  
FINAL BUDGET AND BUDGETED EXPENDITURES

Fiscal Year Ended June 30, 1998

	<u>Final</u> <u>Budget</u>	<u>Budgeted</u> <u>Expenditures</u>	<u>Under</u> <u>(Over)</u> <u>Budget</u>
<u>GENERAL FUND</u>			
<u>General Government</u>			
Office of County Judge/Executive:			
Salaries-			
County Judge/Executive	\$ 48,660	\$ 48,660	\$
Deputy County Judge/Executive	22,336	22,335	1
Secretaries	19,380	19,380	
Office Materials and Supplies	2,500	1,512	988
Travel	2,500	243	2,257
Dues	990	990	
Office of County Attorney:			
Salaries-			
County Attorney	31,628	31,628	
Secretaries	15,764	15,713	51
Office of County Clerk:			
Fiscal Court Clerk Salary	1,500	1,500	
Book Binding	4,100	3,999	101
Rent - Middlesboro Office	3,600	3,600	
Office Materials and Supplies	10,533	10,533	
Telephone	7,700	6,147	1,553
Tax Bill Preparation	5,300	5,102	198
Other Materials and Supplies	1,000	913	87
Maintenance and Repairs Services -			
Equipment	8,700	8,314	386
Office of Sheriff:			
Salaries-			
Sheriff	48,660	48,660	
Deputies	203,000	201,516	1,484
Advertising Tax Bills	15,000	12,064	2,936
Bond	2,800	2,244	556
Memberships	650	650	
Telephone	7,000	6,368	632
Uniforms	3,700	3,677	23
Materials and Supplies	9,000	8,608	392

BELL COUNTY  
 COMPARATIVE SCHEDULE OF  
 FINAL BUDGET AND BUDGETED EXPENDITURES  
 Fiscal Year Ended June 30, 1998  
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND (Continued)</u>			
<u>General Government (Continued)</u>			
Office of Sheriff (Continued):			
Maintenance and Repair Services -			
Equipment	\$ 3,000	\$ 2,864	\$ 136
Gas and Maintenance	40,000	34,370	5,630
Law Enforcement Liability Insurance	1,815	1,815	
Vehicle Insurance	5,330	5,330	
Radio Equipment	15,547	11,947	3,600
Radio Repeater Lease-			
Principal		3,600	(3,600)
Office of County Coroner:			
Salaries-			
County Coroner	17,892	17,892	
Deputy Coroner	4,431	4,431	
Autopsies and Attendant Service	12,500	5,309	7,191
Fiscal Court:			
Magistrates Salaries	84,622	84,622	
Office of Property Valuation Administrator:			
Statutory Contribution	26,378	25,387	991
Building Rent	4,800	4,800	
Office of Board of Assessment Appeals:			
Per Diem	1,000	600	400
Office of County Treasurer:			
Salaries-			
County Treasurer	24,163	24,163	
Assistant	19,406	19,406	
Secretary	6,404	6,404	
Office Materials and Supplies	3,000	2,909	91
Elections:			
Per Diem-			
Election Commissioners	3,650	3,300	350
Election Officers	12,000	11,655	345



BELL COUNTY  
 COMPARATIVE SCHEDULE OF  
 FINAL BUDGET AND BUDGETED EXPENDITURES  
 Fiscal Year Ended June 30, 1998  
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND (Continued)</u>			
<u>General Government (Continued)</u>			
Elections (Continued)			
Tabulators	\$ 200	\$ 75	\$ 125
Other Salaries and Wages	2,200	1,600	600
Printing and Advertising	11,694	11,694	
Building Rental	4,800	4,800	
Polling Places	550	490	60
Insurance	600	600	
Materials and Supplies	1,000	703	297
Office Materials and Supplies	13,100	10,240	2,860
Courthouse:			
Janitors Salaries	40,548	34,646	5,902
Rentals	2,100	2,100	
Telephones	17,500	16,633	867
Utilities	37,500	33,796	3,704
Custodial Supplies	26,000	21,037	4,963
<u>Protection to Persons and Property</u>			
Building Code Enforcement:			
Salary	9,403	9,298	105
Office Supplies	600	425	175
Gas	1,000	718	282
Rescue Squad:			
Contributions	5,000	5,000	
Disaster and Emergency Services:			
Coordinator Salary	9,662	9,662	
Office Supplies	500	255	245
Communication Equipment	1,083	1,083	
Forestry Fire Protection:			
Forest Resource Services	4,000	3,824	176

BELL COUNTY  
 COMPARATIVE SCHEDULE OF  
 FINAL BUDGET AND BUDGETED EXPENDITURES  
 Fiscal Year Ended June 30, 1998  
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND (Continued)</u>			
<u>General Health and Sanitation</u>			
Dog Control:			
Salaries-			
Dog Warden	\$ 15,909	\$ 15,909	\$
Officer	13,080	13,016	64
Animal Food and Supplies	15,500	12,277	3,223
Dog Tax Fees	1,500	344	1,156
Water System:			
Waterline Construction-			
Building Waterlines	32,552	12,589	19,963
Left Fork Straight Creek	47,448	11,699	35,749
<u>Transportation Facilities and Services</u>			
Road Facilities:			
Garage Construction	265,405	265,405	
Road Maintenance:			
Maintenance and Repairs	17,200	17,200	
<u>Debt Service</u>			
Lease:			
Interest - Waterline Construction:			
Hances Creek	6,237	6,237	
Highway 92	4,963	4,963	
Little Clear Creek	3,800	3,800	
<u>Administration</u>			
General Services:			
Advertising	5,000	2,958	2,042
Auditing Services	42,768	42,768	
Drug and Alcohol Consultants	4,000	3,770	230
Office Equipment Maintenance	18,000	14,940	3,060
Insurance	31,894	31,894	
Bonds	4,779	4,779	

BELL COUNTY  
 COMPARATIVE SCHEDULE OF  
 FINAL BUDGET AND BUDGETED EXPENDITURES  
 Fiscal Year Ended June 30, 1998  
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND (Continued)</u>			
<u>Administration (Continued)</u>			
General Services (Continued):			
Memberships-			
ADD	\$ 4,837	\$ 4,837	\$
KACo	1,100	1,100	
Kentucky Coal County Coalition	2,500	2,500	
Pineville Swimming Pool	11,015	11,014	1
Miscellaneous	1,000	707	293
Contingent Appropriations:			
Reserve for Transfers	8,104		8,104
Fringe Benefits:			
County Contributions-			
Social Security	64,000	61,256	2,744
Retirement	75,600	74,878	722
Health Insurance	134,500	101,952	32,548
Worker's Compensation	63,596	63,596	
Unemployment Insurance	11,000	8,061	2,939
Other Benefits	5,500	4,697	803
Total Operating Budget	\$ 1,863,766	\$ 1,702,985	\$ 160,781
Other Financing Uses:			
Waterline Construction Lease			
Principal-			
Hances Creek	6,000	6,000	
Highway 92	8,000	8,000	
Little Clear Creek	3,000	3,000	
Total General Fund	\$ 1,880,766	\$ 1,719,985	\$ 160,781

BELL COUNTY  
 COMPARATIVE SCHEDULE OF  
 FINAL BUDGET AND BUDGETED EXPENDITURES  
 Fiscal Year Ended June 30, 1998  
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>ROAD AND BRIDGE FUND</u>			
<u>General Government</u>			
Fiscal Court:			
Magistrates-			
Expense Allowance	\$ 18,000	\$ 18,000	\$
<u>Transportation Facilities and Services</u>			
Road Facilities:			
Building Rent	6,000	6,000	
Petroleum Products	45,000	28,635	16,365
Telephone	1,700	1,567	133
Utilities	16,000	9,039	6,961
Miscellaneous	1,000	74	926
<u>Roads</u>			
Office of Road Supervisor/Engineer:			
Salaries-			
Road Supervisor	23,495	23,495	
Secretary	11,800	11,649	151
Road Maintenance:			
Road Workers Salaries	325,000	318,254	6,746
Engineering Services	10,000		10,000
Asphalt	281,625	232,434	49,191
Crushed Stone and Gravel	9,163	8,707	456
Petroleum Products	10,000	7,477	2,523
Tile	18,701	17,516	1,185
Materials	155,000	151,812	3,188
Right-of-Way	5,000		5,000
Other Materials and Supplies	10,000	9,791	209
Bridges	10,000	9,949	51
<u>Administration</u>			
General Services:			
Insurance - Vehicles and Equipment	14,611	14,611	

BELL COUNTY  
 COMPARATIVE SCHEDULE OF  
 FINAL BUDGET AND BUDGETED EXPENDITURES  
 Fiscal Year Ended June 30, 1998  
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>ROAD AND BRIDGE FUND (Continued)</u>			
<u>Administration (Continued)</u>			
Contingent Appropriations:			
Reserve for Budget Transfers	\$ 28,216	\$	\$ 28,216
Fringe Benefits:			
County Contributions-			
Retirement	36,600	31,787	4,813
Social Security	32,300	26,194	6,106
Health Insurance	40,895	39,946	949
Worker's Compensation	32,000	17,000	15,000
Other Fringe Benefits	2,000	1,600	400
Total Road and Bridge Fund	<u>\$ 1,144,106</u>	<u>\$ 985,537</u>	<u>\$ 158,569</u>

JAIL FUND

Protection to Persons and Property

Office of Jailer:

    Personnel Services-

        Salaries-

            Jailer

\$ 48,661      \$ 48,661      \$

            Deputies

198,000      193,921      4,079

            Cooks

32,100      30,814      1,286

    Operations-

        Building Rent

Maintenance Agreements      2,000      1,930      70

        Food

74,444      66,675      7,769

        Pest Control

805      805

        Jail Linens

1,000      1,000

        Office Supplies

1,200      1,179      21

        Contracted Services

        Cleaning Supplies

18,000      10,621      7,379

        Routine Medical

14,515      14,516      (1)

        Staff Uniforms

400      332      68

        Recreation and Supplies

685      370      315

Staff Travel

1,050      736      314

Telephone

4,000      3,274      726

BELL COUNTY  
 COMPARATIVE SCHEDULE OF  
 FINAL BUDGET AND BUDGETED EXPENDITURES  
 Fiscal Year Ended June 30, 1998  
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>JAIL FUND (Continued)</u>			
<u>Protection to Persons and Property (Continued)</u>			
Office of Jailer (Continued):			
Operations (Continued)-			
General Maintenance	\$ 20,000	\$ 11,965	\$ 8,035
Utilities	39,000	34,915	4,085
Miscellaneous Operating Expense	1,000	306	694
Juvenile Detention:			
Other Contracted Services	25,000	19,087	5,913
<u>Administration</u>			
General Services:			
Law Enforcement Insurance	2,050	2,050	
Insurance - Building and Contents	2,200	2,200	
Memberships	450	400	50
Contingent Appropriations:			
Reserve for Budget Transfers	1,922		1,922
Fringe Benefits:			
County Contributions-			
Retirement	24,200	23,100	1,100
Social Security	20,200	19,766	434
Health Insurance	27,000	26,120	880
Total Jail Fund	<u>\$ 559,882</u>	<u>\$ 513,743</u>	<u>\$ 46,139</u>

LOCAL GOVERNMENT ECONOMIC  
 ASSISTANCE FUND

Protection to Persons and Property

Rescue Squad:			
Contributions	\$ 7,000	\$ 7,000	\$

BELL COUNTY  
 COMPARATIVE SCHEDULE OF  
 FINAL BUDGET AND BUDGETED EXPENDITURES  
 Fiscal Year Ended June 30, 1998  
 (Continued)

	<u>Final Budget</u>	<u>Budgeted Expenditures</u>	<u>Under (Over) Budget</u>
<u>LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND (Continued)</u>			
<u>Protection to Persons and Property (Continued)</u>			
Office of Public Defender:			
Legal Notice, Recording, and Court Costs	\$ 3,938	\$ 3,938	\$
<u>General Health and Sanitation</u>			
Mental Health/Mental Retardation:			
Contributions	2,500	2,500	
Soil and Water Conservation:			
Contributions	20,000	20,000	
<u>Social Services</u>			
Services to Indigents:			
Pauper Burials	1,600	600	1,000
Legal Services	2,700	1,725	975
Senior Citizens Program:			
Contributions	6,000	6,000	
<u>Recreation and Culture</u>			
Other Recreation Programs:			
Miscellaneous	3,000	2,250	750
Cooperative Extension Service:			
Salaries and Wages	35,038	35,037	1
Office Supplies	4,803	4,803	
Travel	5,900	5,900	
Equipment Maintenance	625	620	5
Tourist and Convention:			
Chamber of Commerce	10,000	10,000	

BELL COUNTY  
 COMPARATIVE SCHEDULE OF  
 FINAL BUDGET AND BUDGETED EXPENDITURES  
 Fiscal Year Ended June 30, 1998  
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>LOCAL GOVERNMENT ECONOMIC ASSISTANCE FUND (Continued)</u>			
<u>Roads</u>			
Road Maintenance:			
Asphalt	\$ 69,262	\$ 49,258	\$ 20,004
Crushed Stone and Gravel	76,864	75,518	1,346
Tiles	5,621	3,438	2,183
Bridges	25,619	25,619	
<u>Administration</u>			
Contingent Appropriations:			
Reserve for Budget Transfers	706		706
Total Local Government Economic Assistance Fund	<u>\$ 281,176</u>	<u>\$ 254,206</u>	<u>\$ 26,970</u>

AMBULANCE SERVICE FUND

Protection to Persons and Property

Ambulance Service:			
Salaries-			
Director	\$ 30,191	\$ 20,486	\$ 9,705
EMT's	173,000	171,196	1,804
Dispatch Wages	71,000	70,668	332
New Equipment - Ambulance	57,175	57,175	
Gas	10,700	7,924	2,776
Office Supplies	3,600	3,555	45
Uniforms	2,400	2,310	90
Medical Supplies	11,000	5,595	5,405
Insurance - Vehicles	16,000	15,217	783
Telephone	2,500	1,779	721
Maintenance	20,000	13,558	6,442
Refunds	500	206	294
Utilities	8,500	1,170	7,330
Radio Recorder	6,000	6,000	
Buildings and Construction	10,000	5,649	4,351



BELL COUNTY  
 COMPARATIVE SCHEDULE OF  
 FINAL BUDGET AND BUDGETED EXPENDITURES  
 Fiscal Year Ended June 30, 1998  
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>AMBULANCE SERVICE FUND (Continued)</u>			
<u>Protection to Persons and Property (Continued)</u>			
Ambulance Service (Continued):			
Miscellaneous	\$ 1,000	\$ 339	\$ 661
<u>Administration</u>			
Contingent Appropriations:			
Reserve for Transfers	12,500		12,500
Fringe Benefits (Employer's Share):			
Social Security	19,900	19,186	714
Retirement	22,800	20,114	2,686
Health Insurance	22,330	18,318	4,012
Unemployment Compensation	3,500	1,592	1,908
Worker's Compensation	13,550	12,115	1,435
Other Fringe Benefits	2,500	1,793	707
Total Ambulance Service Fund	<u>\$ 520,646</u>	<u>\$ 455,945</u>	<u>\$ 64,701</u>
<u>INSURANCE PREMIUM TAX FUND</u>			
<u>Protection to Persons and Property</u>			
County Fire Department:			
Bell County Fire Department	\$ 280,000	\$ 246,942	\$ 33,058
Frakes Fire Department	20,000	17,639	2,361
Total Insurance Premium Tax Fund	<u>\$ 300,000</u>	<u>\$ 264,581</u>	<u>\$ 35,419</u>
<u>ABANDONED MINE LAND</u>			
<u>LEFT FORK WATER PROJECT FUND</u>			
<u>General Health and Sanitation</u>			
Water System:			
Left Fork Water Project	<u>\$ 2,695,517</u>	<u>\$ 793,501</u>	<u>\$ 1,902,016</u>

BELL COUNTY  
 COMPARATIVE SCHEDULE OF  
 FINAL BUDGET AND BUDGETED EXPENDITURES  
 Fiscal Year Ended June 30, 1998  
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>ABANDONED MINE LAND LAUREL FORK WATER PROJECT FUND</u>			
<u>General Health and Sanitation</u>			
Water System:			
Laurel Fork Water Project	\$ 204,000	\$ 38,800	\$ 165,200
<u>LOCAL LAW ENFORCEMENT GRANT FUND</u>			
<u>Protection to Persons and Property</u>			
Office of the Sheriff:			
Uniforms	\$ 2,500	\$ 2,500	\$ 0
<u>LOCAL GOVERNMENT ECONOMIC DEVELOPMENT FUND</u>			
Economic Development:			
Engineering Services	\$ 1,381,219	\$ 66,546	\$ 1,314,673
Total Operating Budget - All Funds	\$ 8,952,812	\$ 5,078,344	\$ 3,874,468
Other Financing Uses:			
Waterline Construction Lease			
Principal-			
Hances Creek	6,000	6,000	
Highway 92	8,000	8,000	
Little Clear Creek	3,000	3,000	
TOTAL BUDGET - ALL FUNDS	\$ 8,969,812	\$ 5,095,344	\$ 3,874,468

SCHEDULE OF UNBUDGETED EXPENDITURES

BELL COUNTY  
SCHEDULE OF UNBUDGETED EXPENDITURES

Fiscal Year Ended June 30, 1998

<u>Expenditure Items</u>	Hutch/ Brownies Creek Waterline Fund
Waterline Construction	\$ 19,531
Management Fee	<u>14</u>
Totals	<u><u>\$ 19,545</u></u>

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



## Edward B. Hatchett, Jr. Auditor of Public Accounts

Honorable Jennifer Jones, County Judge/Executive  
Honorable Curtis Hoskins, Sr., Former County Judge/Executive  
Members of the Bell County Fiscal Court

### Report On Compliance And On Internal Control Over Financial Reporting Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards

We have audited the financial statements of Bell County, Kentucky, as of and for the year ended June 30, 1998, and have issued our report thereon dated March 17, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

#### Compliance

As part of obtaining reasonable assurance about whether Bell County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying Schedule of Findings and Questioned Costs.

- The Fiscal Court Should Adopt An Administrative Code
- The County Should Have A Written Agreement To Protect Deposits

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered Bell County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Bell County's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs.

- The Fiscal Court Should Adopt An Administrative Code

Honorable Jennifer Jones, County Judge/Executive  
Honorable Curtis Hoskins, Sr., Former County Judge/Executive  
Members of the Bell County Fiscal Court  
Report On Compliance And On Internal Control  
Over Financial Reporting Based On An Audit Of Financial  
Statements Performed In Accordance With Government Auditing Standards  
(Continued)

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider not adopting an administrative code to be a material weakness.

This report is intended for the information of management. However, this report, upon release by the Auditor of Public Accounts, is a matter of public record and its distribution is not limited.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a stylized flourish at the end.

Edward B. Hatchett, Jr.  
Auditor of Public Accounts

Audit fieldwork completed -  
March 17, 1999

REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133





Edward B. Hatchett, Jr.  
Auditor of Public Accounts

Honorable Jennifer Jones, County Judge/Executive  
Honorable Curtis Hoskins, Sr., Former County Judge/Executive  
Members of the Bell County Fiscal Court

Report On Compliance With Requirements Applicable To Each Major Program  
And Internal Control Over Compliance In Accordance With OMB Circular A-133

Compliance

We have audited the compliance of Bell County, Kentucky, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1998. Bell County's major federal programs are identified in the Schedule of Expenditures of Federal Awards. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Bell County's management. Our responsibility is to express an opinion on Bell County's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Bell County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Bell County's compliance with those requirements.

In our opinion, Bell County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1998.

Honorable Jennifer Jones, County Judge/Executive  
Honorable Curtis Hoskins, Sr., Former County Judge/Executive  
Members of the Bell County Fiscal Court  
Report On Compliance With Requirements Applicable To Each Major Program  
And Internal Control Over Compliance In Accordance With OMB Circular A-133  
(Continued)

#### Internal Control Over Compliance

The management of Bell County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Bell County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of management and federal awarding agencies and pass-through entities. However, this report, upon release by the Auditor of Public Accounts, is a matter of public record and its distribution is not limited.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a long horizontal flourish extending to the right.

Edward B. Hatchett, Jr.  
Auditor of Public Accounts

Audit fieldwork completed –  
March 17, 1999

SCHEDULE OF FINDING AND QUESTIONNED COSTS

BELL COUNTY  
SCHEDULE OF FINDING AND QUESTIONED COSTS

Fiscal Year Ended June 30, 1998

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of Bell County.
2. Two reportable conditions disclosed during the audit of the financial statements are reported in the Independent Auditor's Report. One of the conditions is reported as a material weakness.
3. No instances of noncompliance material to the financial statements of Bell County were disclosed during the audit.
4. No reportable conditions relating to the audit of the major federal awards programs are reported in the Independent Auditor's Report.
5. The auditor's report on compliance for the audit of the major federal award programs for Bell County expresses an unqualified opinion.
6. There are no audit findings relative to the major federal awards programs for Bell County reported in Part C of this Schedule.
7. The programs tested as major programs included: Abandoned Mine Land Reclamation Programs- Left Fork and Laurel Fork Water Studies.
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. Bell County was not determined to be a low-risk auditee.

B. FINDINGS – FINANCIAL STATEMENTS AUDIT

REPORTABLE CONDITIONS

The Fiscal Court Should Adopt An Administrative Code

A comprehensive administrative code has not been adopted by the fiscal court. Under the provisions of KRS 68.005, the county is required to have an administrative code which includes, but is not limited to, procedures and designation of responsibility for:

- a) General administration of agencies, authorities, and the County Judge/Executive's office;
- b) Administration of county fiscal affairs;
- c) Personnel administration;
- d) County purchasing and award of contracts; and
- e) Delivery of county services.

We recommend the fiscal court comply with KRS 68.005 by adopting an administrative code.

*Management Response:*

*The fiscal court has been working on the administrative code with Cumberland Valley ADD, but they have not adopted it yet.*

BELL COUNTY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Fiscal Year Ended June 30, 1998

NONCOMPLIANCES

The County Should Have A Written Agreement To Protect Deposits

The county maintained deposits with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). The county had a bank balance of \$1,444,800; FDIC insurance of \$200,000; and securities pledged of \$2,450,000 as of June 30, 1998. Even though the county obtained pledged securities of \$2,450,000, the pledge was not evidenced by a written agreement. We recommend the county enter into a written agreement with the depository institution. This agreement, signed by both parties, must be sufficient to create an enforceable and perfected security interest in the collateral under Kentucky law. According to federal law, 12 U.S.C.A. § 1823(e), this agreement should be (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution.

*Management's Response:*

*A written agreement was signed on July 28, 1998.*

PRIOR YEAR FINDINGS

1. The Fiscal Court Should Adopt An Administrative Code
2. The County Should Have Required Depository Institutions To Pledge Additional Securities Of \$537,873 As Collateral And Enter Into A Written Agreement To Protect Deposits

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

BELL COUNTY  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Fiscal Year Ended June 30, 1998

<u>FY 1998 Activity</u>		
<u>Pass-Through</u>		
<u>Grantor's Number</u>		<u>Expenditures</u>
<u>Federal Grantor</u>		
<u>Program Title</u>		
<u>Grant Name (CFDA #)</u>		
<u>Cash Programs</u>		
<u>U.S. Department of the Interior</u>		
Passed-Through State Department of Natural Resources:		
Abandoned Mine Land Reclamation Programs-		
Laurel Fork Water Study (CFDA # 15.252)	Not Available	\$ 38,800
Left Fork Water Study (CFDA # 15.252)	Not Available	794,501
<u>U.S. Department of Justice</u>		
Passed-Through State Justice Cabinet		
Local Law Enforcement Grant (CFDA # Not Available)	Not Available	2,500
Passed-Through State Department of Military Affairs:		
Disaster and Emergency Assistance Grants-		
Coordinator Salary (CFDA # 83.503)	Not Available	<u>4,621</u>
Total Cash Expenditures of Federal Awards		<u>\$ 840,422</u>

See Note to the Schedule of Federal Awards

BELL COUNTY  
NOTE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Fiscal Year Ended June 30, 1998

Note 1 - Basis of Presentation

This schedule is presented on a cash basis.



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

BELL COUNTY  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Fiscal Year Ended June 30, 1998

U.S. FEDERAL EMERGENCY MANAGEMENT AGENCY

1998 - FINDING NO. 1: Roth Camp Flood Mitigation Project.

*Condition:* This finding was a reportable condition stating that the county did not comply with all of the terms of the grant agreement. Specifically, it came to our attention that seven trailers were purchased from the owners and subsequently returned to them at no cost. According to the grant program administrative handbook, the structure must be demolished, unless an alternative is included in the application's scope of work and approved by the State Hazard Mitigation Team and FEMA.

*Recommendation:* The auditors recommended that all terms of grant agreements be complied with. Furthermore, we recommended that amendments be obtained for any deviations from the terms of future grant agreements.

*Current Status:* No similar findings were noted in 1998 audit. FEMA has not responded to the prior year audit finding.

CERTIFICATION OF COMPLIANCE

LOCAL GOVERNMENT ECONOMIC ASSISTANCE AND DEVELOPMENT PROGRAMS

BELL COUNTY FISCAL COURT

Fiscal Year Ended June 30, 1998

CERTIFICATION OF COMPLIANCE

LOCAL GOVERNMENT ECONOMIC ASSISTANCE AND DEVELOPMENT PROGRAMS

BELL COUNTY FISCAL COURT

The Bell County Fiscal Court hereby certifies that assistance received from the Local Government Economic Development Program and Local Government Economic Assistance Program was expended for the purpose intended as dictated by the applicable Kentucky Revised Statutes.

Curtis Abelson Jr

Name

County Judge/Executive

Brenda Walter

Name

County Treasurer